



SCHOLARSHARE

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CALIFORNIA'S 529 COLLEGE SAVINGS PLAN
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SCHOLARSHARE COLLEGE SAVINGS PLAN

Annual Report

June 30, 2017

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Report of Independent Auditors

To the Trustee of the Golden State ScholarShare College Savings Trust:

We have audited the accompanying financial statements of the ScholarShare College Savings Plan (the "Plan"), which comprise the statement of fiduciary net position as of June 30, 2017 and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the ScholarShare College Savings Plan, as of June 30, 2017, and the changes in its position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.



Other Matter

The accompanying management's discussion and analysis on pages 4 through 5 are required by accounting principles generally accepted in the United States of America to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Plan's basic financial statements. The accompanying supplemental information of the statements of fiduciary net position on pages 14 through 20 and statements of changes in fiduciary net position on pages 22 through 28 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplemental information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 6, 2017 on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.

PricewaterhouseCoopers LLP

September 6, 2017

**SCHOLARSHARE COLLEGE SAVINGS PLAN
MANAGEMENT’S DISCUSSION AND ANALYSIS (unaudited)**

As plan manager of the Scholarshare College Savings Plan (the “Plan”), TIAA-CREF Tuition Financing, Inc. (“TFI”) offers readers of the Plan’s financial statements this discussion and analysis of the financial performance for the year ended June 30, 2017. Readers should consider the information presented in this section in conjunction with the Plan’s financial statements and notes to financial statements. The Plan is comprised of 19 investment portfolios (the “Portfolios”) in which account owners (“Account Owners”) may invest.

Financial Highlights

During the year ended June 30, 2017, the Portfolios within the Plan posted returns as follows:

<u>Active Age-Based Portfolio:</u>		<u>Passive Age-Based Portfolio:</u>	
Ages 0-4	17.88%	Ages 0-4	14.39%
Ages 5-8	16.26	Ages 5-8	12.67
Ages 9-10	14.03	Ages 9-10	10.86
Ages 11-12	12.12	Ages 11-12	9.02
Ages 13-14	10.14	Ages 13-14	7.44
Age 15	8.70	Age 15	5.93
Age 16	7.15	Age 16	5.29
Age 17	6.40	Age 17	4.44
Ages 18 & Over	5.05	Ages 18 & Over	3.72
 <u>Active Multi-Fund Portfolios:</u>		 <u>Passive Multi-Fund Portfolios:</u>	
Active Diversified Equity Portfolio	21.67%	Passive Diversified Equity Portfolio	17.85%
Active Growth Portfolio	15.99	Passive Growth Portfolio	12.53
Active Moderate Growth Portfolio	10.24	Passive Moderate Growth Portfolio	7.53
Active Conservative Portfolio	1.94	Passive Conservative Portfolio	0.92
Active International Equity Portfolio	20.41	Passive Diversified Fixed Income Portfolio	0.70
Active Diversified Fixed Income Portfolio	2.78	Index International Equity Portfolio	20.68
		 <u>Single Fund Portfolios:</u>	
		Social Choice Portfolio	18.75%
		Index Bond Portfolio	(0.53)
		Index U.S. Large Cap Equity Portfolio	17.76
		Index U.S. Equity Portfolio	18.42
		Principal Plus Interest Portfolio	1.22

The Plan received \$262.8 million in net contributions from Account Owners during the year ended June 30, 2017.

The Plan earned \$147.0 million of investment income, incurred \$3.4 million of operating expenses and had a net increase in fair value of investments of \$571.7 million during the year ended June 30, 2017.

Overview of the Financial Statements

The Plan’s financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Government Accounting Standards Board.

This report consists of two parts: Management’s Discussion and Analysis (this section) and the basic financial statements. The basic financial statements are comprised of a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position, and Notes to Financial Statements that explain the information in the financial statements and provide more detailed information.

The Statement of Fiduciary Net Position presents information on the Plan’s assets and liabilities, with the difference between the two reported as net position as of June 30, 2017. This statement, along with all of the Plan’s financial statements, is prepared using the accrual basis of accounting. Contributions are recognized when enrollment in the Plan is finalized; subsequent subscriptions and redemptions are recognized on trade date; expenses and liabilities are recognized when services are provided regardless of when cash is disbursed.

The Statement of Changes in Fiduciary Net Position presents information showing how the Plan's assets changed during the year. Changes in net position are reported as soon as the underlying event giving rise to the current change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal years.

This report presents the operating results and financial status of the Plan, which the State of California reports as a fiduciary fund. Fiduciary fund reporting is used to account for resources held for the benefit of parties outside the governmental entity.

Financial Analysis

Net position - The following are condensed Statements of Fiduciary Net Position as of June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Investments	\$ 7,724,084,334	\$ 6,746,012,648
Cash	-	2,619
Receivables	23,766,435	11,950,787
Total Assets	7,747,850,769	6,757,966,054
Payables	23,993,767	12,232,346
Total Liabilities	23,993,767	12,232,346
Total Net Position	\$ 7,723,857,002	\$ 6,745,733,708

Net position represents total contributions from Account Owners, plus the net increases (decreases) from operations, less withdrawals and expenses.

Investments are approximately 100% of total net position, and consist of the Portfolios, each of which invests in varying percentages in multiple TIAA-CREF Funds, and/or other third-party mutual funds, or a funding agreement ("Funding Agreement") issued by TIAA-CREF Life Insurance Company to the Board as the policy holder on behalf of the Plan. Receivables consist of securities sold, contributions, and accrued income. Liabilities consist mainly of payables for securities purchased, withdrawals, and accrued expenses.

Changes in net position - The following are condensed Statements of Changes in Fiduciary Net Position for the years ended June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Additions:		
Subscriptions	\$ 3,565,027,699	\$ 3,152,699,627
Investment Income	147,036,104	135,963,526
Net increase in fair value of investments	571,701,707	-
Total Additions	4,283,765,510	3,288,663,153
Deductions:		
Redemptions	(3,302,233,180)	(2,926,405,843)
Plan manager fee	(2,335,884)	(3,006,007)
Administrative fee	(1,073,152)	(926,990)
Net decrease in fair value of investments	-	(38,510,395)
Total Deductions	(3,305,642,216)	(2,968,849,235)
Changes in Net Position	978,123,294	319,813,918
Net position - beginning of year	6,745,733,708	6,425,919,790
Net position - end of year	\$ 7,723,857,002	\$ 6,745,733,708

**SCHOLARSHARE COLLEGE SAVINGS PLAN
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017**

ASSETS

Investments, at value (Cost: \$6,744,829,124)	\$ 7,724,084,334
Dividends and interest receivable	9,918,094
Receivable from securities transactions	9,809,975
Receivable from Plan units sold	4,038,366
TOTAL ASSETS	<u>7,747,850,769</u>

LIABILITIES

Overdraft payable	220,943
Accrued Plan manager fee	181,506
Accrued Administrative fee	97,259
Payable for securities transactions	21,148,501
Payable for Plan units redeemed	2,345,558
TOTAL LIABILITIES	<u>23,993,767</u>

NET POSITION

Held in trust for Account Owners in the Plan	<u>\$ 7,723,857,002</u>
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See notes to financial statements

**SCHOLARSHARE COLLEGE SAVINGS PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017**

ADDITIONS

Subscriptions	\$ 3,565,027,699
Investment income:	
Interest	4,203,619
Dividends	142,832,485
Total investment income	<u>147,036,104</u>
Net increase in fair value of investments	<u>571,701,707</u>
Total additions	<u>4,283,765,510</u>

DEDUCTIONS

Redemptions	(3,302,233,180)
Plan manager fee	(2,335,884)
Administrative fee	(1,073,152)
Total deductions	<u>(3,305,642,216)</u>
Changes in net position	978,123,294
Net position – beginning of year	<u>6,745,733,708</u>
Net position – end of year	<u>\$ 7,723,857,002</u>

See notes to financial statements

SCHOLARSHARE COLLEGE SAVINGS PLAN NOTES TO FINANCIAL STATEMENTS

Note 1 – Organization and Significant Accounting Policies

The ScholarShare College Savings Plan (“Plan”) was created by the State of California to encourage individuals to save for postsecondary education. The ScholarShare Investment Board (“Board”), as trustee of the Golden State ScholarShare College Savings Trust (“Trust”), implemented and administers the Plan. The responsibilities of the Board with respect to the plan include: making and entering into contracts necessary for the administration of the Trust and the Plan, approving the investment portfolios offered in the Plan, managing and operating the Plan, and adopting regulations for the administration of the Plan. TIAA-CREF Tuition Financing, Inc. (“TFI”), a wholly owned direct subsidiary of Teachers Insurance and Annuity Association of America (“TIAA”), and the Board have entered into a management agreement (“Management Agreement”) under which TFI provides certain services to the Plan. The Plan is intended to meet the requirements of a qualified tuition program under Section 529 of the Internal Revenue Code (“Code”). The Plan is currently the only qualified tuition program offered by the Board. Investment portfolios (the “Portfolios” or individually “Portfolio”) allocations and fees, as approved by the Board, are described in the current Disclosure Booklet for the Plan.

The assets in the Principal Plus Interest Portfolio are allocated to a funding agreement (“Funding Agreement”) issued by TIAA-CREF Life Insurance Company (“TIAA Life”), which is an affiliate of TFI, to the Board, as policyholder. The Funding Agreement provides for a return of principal plus a guaranteed rate of interest and allows for the possibility that additional interest may be credited as declared periodically by TIAA Life. In addition, certain other Portfolios also invest some percentage of their allocation to a separate TIAA Life Funding Agreement.

Teachers Advisors, LLC (“Advisors”), an affiliate of TFI, is registered with the Securities and Exchange Commission as an investment adviser and provides investment advisory services to the TIAA-CREF Funds (the “Funds”). TIAA-CREF Individual & Institutional Services, LLC (“Services”), a wholly owned, direct subsidiary of TIAA, serves as the primary distributor and underwriter for the Plan and provides certain underwriting and distribution services in furtherance of TFI’s marketing plan for the Plan. Services is registered as a broker-dealer under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority.

The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (“GASB”) which may require the use of estimates made by management and the evaluation of subsequent events. Actual results may differ from those estimates. The following is a summary of the significant accounting policies consistently followed by the Plan.

Investment income: Securities transactions are accounted for as of the trade date for financial reporting purposes. Interest income is recorded as earned. Dividend income and capital gain distributions from the underlying mutual funds are recorded on the ex-dividend date. Income distributions from underlying mutual funds are included in total investment income and gain distributions are included in net increase in fair value of investments. Realized gains and losses are based upon the specific identification method.

Income tax: No provision for federal income tax has been made. The Plan is designed to constitute a qualified tuition program under Section 529 of the Code and does not expect to have any unrelated business income subject to tax.

Units: The beneficial interests for each account owner (“Account Owner”) in the Portfolios are represented by Plan units. Subscriptions and redemptions are recorded upon receipt of Account Owner’s instructions in good order, based on the next determined net position value per unit (“Unit Value”). Unit Values for each Portfolio are determined at the close of business of the New York Stock Exchange. The Unit Value for financial reporting purposes may differ from the Unit Value for processing transactions. The Unit Value for financial reporting purposes includes security and shareholder transactions through the date of the report. There are no distributions of net investment gains or net investment income to the Portfolio’s Account Owners or beneficiaries.

Subscriptions and Redemptions: Subscriptions on the Statement of Changes in Fiduciary Net Position include any contributions to the Plan made by Account Owners and any exchanges within the Plan that result in a reinvestment of assets. Redemptions on the Statement of Changes in Fiduciary Net Position include any withdrawals from the Plan made by Account Owners and any exchanges within the Plan that result in a reinvestment of assets.

SCHOLARSHARE COLLEGE SAVINGS PLAN NOTES TO FINANCIAL STATEMENTS (continued)

New accounting pronouncement: In May 2017, GASB issued Statement No. 85, *Omnibus* (“Statement”). The Statement addresses practice issues that have been identified during implementation and application of certain GASB statements including fair value measurement. The Statement is effective for financial statements for periods beginning after June 15, 2017. The Plan adopted the Statement for this annual report. The adoption of the Statement did not have any impact on the Plan’s financial statements and notes disclosures.

Note 2 – Valuation of Investments

Certain investments are valued at fair value utilizing various valuation methods. GASB establishes a hierarchy that prioritizes market inputs to fair valuation methods. The three levels of inputs are:

- Level 1 – quoted prices in active markets for identical securities
- Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, credit spreads, etc.)
- Level 3 – significant unobservable inputs (including the Plan’s own assumptions in determining the fair value of investments)

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

A description of the valuation techniques applied to the Plan’s major categories of investments follows:

Investments in registered investment companies: These investments are valued at their published net asset value on the valuation date. These investments are categorized in Level 1 of the fair value hierarchy.

Funding Agreement: The Funding Agreements, to which the Principal Plus Interest Portfolio, Active Age-Based Portfolio, Passive Age-Based Portfolio, Active Conservative Portfolio and Passive Conservative Portfolio allocate assets, is considered a nonparticipating interest-earning investment contract and is accounted for at cost. Because the Funding Agreement is valued at cost, they are not included in the fair value hierarchy.

Note 3 – Plan Fees

Each Portfolio (with the exception of the Principal Plus Interest Portfolio) pays the Plan manager fee at an annual rate of 0.03% of the average daily net assets held by that Portfolio. In addition, Advisors is paid investment management fees on the underlying investments in the Funds.

Prior to December 9, 2016, the Plan manager was paid an annual Plan manager fee of 0.04% of the average daily net assets of each Portfolio (with the exception of the Principal Plus Interest Portfolio).

The Active Age-Based portfolios, Active Multi-Fund portfolios and Social Choice portfolio pay to the Board a fee equal to 0.05% of the average daily net assets held by such portfolios to pay for expenses related to the administration of the Plan.

Note 4 – Investments

Cash deposits: Cash deposits at June 30, 2017 were covered by federal depository insurance coverage.

Investments: As of June 30, 2017, net unrealized appreciation (depreciation) of Portfolio investments was \$979,255,210 consisting of gross unrealized appreciation of \$996,324,847 and gross unrealized depreciation of \$(17,069,637).

SCHOLARSHARE COLLEGE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS (continued)

As of June 30, 2017, the Plan's investments consist of the following:

	<u>Units</u>	<u>Cost</u>	<u>Value</u>
TIAA-CREF Funds (Institutional Class):			
Bond Index Fund	107,689,531	\$ 1,164,243,044	\$ 1,167,354,518
Emerging Markets Equity Index Fund	12,650,899	120,237,179	134,226,035
Equity Index Fund	88,807,090	1,123,290,117	1,604,744,109
High-Yield Fund	17,003,769	166,357,354	167,317,086
Inflation-Linked Bond Fund	25,972,670	302,783,554	296,867,617
International Equity Index Fund	29,498,652	480,036,184	560,474,393
Real Estate Securities Fund	15,116,799	195,194,921	239,298,932
S&P 500 Index Fund	12,162,690	234,551,650	330,338,649
Small-Cap Equity Fund	4,527,480	75,078,794	87,425,636
Social Choice Equity Fund	8,533,037	110,634,307	153,594,666
DFA Emerging Markets Core Equity Portfolio (Institutional Class)	3,120,825	57,923,198	64,101,741
DFA Large Cap International Portfolio (Institutional Class)	13,221,881	263,866,384	291,013,594
MetWest Total Return Bond Fund (Institutional Class)	36,391,530	393,173,942	387,569,796
PIMCO Income Fund (Institutional Class)	13,777,881	165,653,039	170,156,834
PIMCO Real Return Fund (Institutional Class)	13,763,824	155,240,270	150,576,237
T. Rowe Price Inst. Floating Rate Fund (Institutional Class)	7,407,769	74,596,081	74,299,923
T. Rowe Price Inst. Large-Cap Growth Fund (Institutional Class)	10,434,630	260,245,388	365,003,370
T. Rowe Price Inst. Large-Cap Value Fund (Institutional Class)	15,806,196	276,219,377	354,216,857
TIAA-CREF Life Insurance Company:			
Funding Agreements	795,843,225	1,125,504,341	1,125,504,341
		<u>\$ 6,744,829,124</u>	<u>\$ 7,724,084,334</u>

Note 5 – Investment Risks

Certain investments are subject to a variety of investment risks based on the amount of risk in the underlying funds. GASB requires that entities disclose certain essential risk information about deposits and investments. All of the Plan's Portfolios are uninsured and unregistered and are held by a custodian in the Plan's name.

Custodial credit risk: Custodial credit risk is the risk that in the event of a failure, the Plan deposits and investments may not be returned. An Account Owner has an investment in a Portfolio and not a direct investment in any underlying mutual fund or other investment vehicle to which funds in that Portfolio may be allocated. Because of this ownership structure, the custodial credit risk is mitigated.

Investment Policy: The Plan does not have specific investment policies which address credit, interest rate, foreign currency or custodial credit risk. The Plan's Portfolios are managed based on specific investment objectives and strategies which are disclosed in the Plan's current Disclosure Booklet.

Credit risk: The underlying mutual funds investing primarily in fixed income securities are subject to credit risk. Credit risk refers to the ability of the issuer to make timely payments of interest and principal. The underlying mutual funds do not carry a formal credit quality rating. The underlying Funding Agreement is a guaranteed insurance product issued by TIAA Life. TIAA Life had a Standard & Poor's credit rating of AA+ at June 30, 2017.

Interest rate risk: Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. At June 30, 2017, the average maturities for the underlying fixed income mutual funds are as follows:

SCHOLARSHARE COLLEGE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS (concluded)

<u>Investment</u>	<u>Value</u>	<u>Weighted Average Maturity</u>
TIAA-CREF Funds (Institutional Class):		
Bond Index Fund	\$1,167,354,518	7.96 years
High-Yield Fund	167,317,086	6.87 years
Inflation-Linked Bond Fund	296,867,617	5.79 years
MetWest Total Return Bond Fund (Institutional Class)	387,569,796	7.16 years
PIMCO Income Fund (Institutional Class)	170,156,834	6.07 years
PIMCO Real Return Fund (Institutional Class)	150,576,237	8.17 years
T. Rowe Price Institutional Floating Rate Fund (Institutional Class)	74,299,923	5.60 years

Foreign currency risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of investments in foreign securities. The Plan does not have any direct investment in foreign securities. Certain Plan Portfolios allocate assets to underlying mutual funds that are exposed to foreign currency risk. At June 30, 2017, the value of investments in underlying mutual funds that significantly invest in foreign denominated contracts are as follows:

<u>Investment</u>	<u>Value</u>
TIAA-CREF Funds (Institutional Class):	
Emerging Markets Equity Index Fund	\$ 134,226,035
International Equity Index Fund	560,474,393
DFA Emerging Markets Core Equity Portfolio (Institutional Class)	64,101,741
DFA Large Cap International Portfolio (Institutional Class)	291,013,594
PIMCO Income Fund (Institutional Class)	170,156,834

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SUPPLEMENTAL INFORMATION

The following information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the ScholarShare College Savings Plan Direct-Sold Plan (the "Plan"). It shows financial information relating to the investment portfolios, which are included in the Plan during the year ended June 30, 2017.

**SCHOLARSHARE COLLEGE SAVINGS PLAN
STATEMENTS OF FIDUCIARY NET POSITION
JUNE 30, 2017**

Active Age-Based Portfolio

	Ages 0-4	Ages 5-8	Ages 9-10	Ages 11-12	Ages 13-14	Age 15	Age 16
ASSETS							
Investments, at value:							
TIAA-CREF Funds:							
Real Estate Securities Fund	\$ 6,871,066	\$ 17,833,135	\$ 13,493,969	\$ 9,098,964	\$ 6,781,257	\$ 2,474,697	\$ 2,054,952
Small-Cap Equity Fund	7,723,194	18,668,671	13,565,329	9,029,658	6,853,697	2,515,424	2,057,023
SUBTOTAL	14,594,260	36,501,806	27,059,298	18,128,622	13,634,954	4,990,121	4,111,975
DFA Emerging Market Core Equity Portfolio	4,999,068	9,374,589	10,035,954	6,263,964	4,657,348	1,651,903	1,361,748
DFA Large Cap International Portfolio	21,108,926	60,691,822	42,895,479	27,197,303	20,237,983	7,363,621	5,996,385
MetWest Total Return Bond Fund	10,774,561	50,762,803	54,242,678	53,953,734	58,820,723	28,031,081	24,437,696
PIMCO Income Fund	4,199,970	18,813,337	24,107,650	23,844,931	26,605,669	13,005,768	11,750,458
PIMCO Real Return Fund	4,195,583	18,751,121	22,659,381	21,237,310	23,352,468	10,178,965	9,261,509
T. Rowe Price Inst. Floating Rate Fund	1,437,299	7,464,924	10,711,275	10,436,130	11,484,709	5,605,634	5,047,810
T. Rowe Price Inst. Large-Cap Growth Fund	31,412,311	72,299,992	60,259,769	38,929,022	27,994,025	11,150,664	7,841,870
T. Rowe Price Inst. Large-Cap Value Fund	29,978,770	68,828,466	57,979,020	37,726,661	27,344,115	10,211,229	8,153,845
SUBTOTAL	108,106,488	306,987,054	282,891,206	219,589,055	200,497,040	87,198,865	73,851,321
TIAA-CREF Life Insurance Company:							
Funding Agreement	—	—	—	—	—	8,193,731	17,978,526
TOTAL INVESTMENTS	122,700,748	343,488,860	309,950,504	237,717,677	214,131,994	100,382,717	95,941,822
Cash	—	—	12	—	—	—	—
Dividends and interest receivable	350,014	1,077,587	907,212	671,908	621,683	266,811	242,285
Receivable from securities transactions	—	—	—	—	—	—	—
Receivable from Plan units sold	142,873	111,468	85,352	133,103	76,724	17,992	26,898
TOTAL ASSETS	123,193,635	344,677,915	310,943,080	238,522,688	214,830,401	100,667,520	96,211,005
LIABILITIES							
Overdraft payable	—	150	—	25	—	—	—
Accrued Plan manager fee	3,208	8,764	7,669	5,654	5,325	2,422	2,334
Accrued administrative fee	5,346	14,607	12,782	9,424	8,875	4,037	3,889
Payable for securities transactions	478,792	1,183,083	939,036	749,059	680,919	268,975	267,723
Payable for Plan units redeemed	12,762	9,331	50,384	53,951	14,648	12,829	—
TOTAL LIABILITIES	500,108	1,215,935	1,009,871	818,113	709,767	288,263	273,946
NET POSITION	\$ 122,693,527	\$ 343,461,980	\$ 309,933,209	\$ 237,704,575	\$ 214,120,634	\$ 100,379,257	\$ 95,937,059
UNITS OUTSTANDING	6,766,728	19,685,857	18,601,002	14,938,742	14,081,444	6,985,446	6,961,514
NET POSITION VALUE PER UNIT	\$18.13	\$17.45	\$16.66	\$15.91	\$15.21	\$14.37	\$13.78
INVESTMENTS AT COST	\$ 110,953,352	\$ 300,332,058	\$ 269,411,584	\$ 211,483,979	\$ 194,476,524	\$ 93,512,273	\$ 90,936,909

	Age 17	Ages 18 & Over	Total
\$	1,635,764	\$ 3,118,212	\$63,362,016
	1,644,291	3,110,350	65,167,637
	<u>3,280,055</u>	<u>6,228,562</u>	<u>128,529,653</u>
	1,094,774	2,180,437	41,619,785
	4,835,671	9,392,293	199,719,483
	19,667,457	39,845,987	340,536,720
	8,968,910	17,987,898	149,284,591
	7,243,122	15,194,599	132,074,058
	4,133,643	8,484,854	64,806,278
	5,291,764	10,754,086	265,933,503
	6,532,959	12,491,291	259,246,356
	<u>57,768,300</u>	<u>116,331,445</u>	<u>1,453,220,774</u>
	31,984,220	115,059,681	173,216,158
	<u>93,032,575</u>	<u>237,619,688</u>	<u>1,754,966,585</u>
	—	—	12
	210,571	453,242	4,801,313
	—	48,849	48,849
	22,587	102,612	719,609
	<u>93,265,733</u>	<u>238,224,391</u>	<u>1,760,536,368</u>
	—	20,000	20,175
	2,302	5,484	43,162
	3,837	9,141	71,938
	221,491	453,243	5,242,321
	9,882	126,301	290,088
	<u>237,512</u>	<u>614,169</u>	<u>5,667,684</u>
\$	<u>93,028,221</u>	<u>\$ 237,610,222</u>	<u>\$1,754,868,684</u>
	<u>7,083,969</u>	<u>19,056,459</u>	
	<u>\$13.13</u>	<u>\$12.47</u>	
\$	<u>89,716,006</u>	<u>\$ 233,670,300</u>	<u>\$1,594,492,985</u>

**SCHOLARSHARE COLLEGE SAVINGS PLAN
STATEMENTS OF FIDUCIARY NET POSITION
JUNE 30, 2017**

Passive Age-Based Portfolio

	Ages 0-4	Ages 5-8	Ages 9-10	Ages 11-12	Ages 13-14	Age 15	Age 16
ASSETS							
Investments, at value:							
TIAA-CREF Funds:							
Bond Index Fund	\$ 15,951,015	\$ 57,787,354	\$ 77,446,002	\$ 148,009,123	\$ 241,844,072	\$ 128,205,560	\$ 122,303,062
Emerging Markets Equity Index Fund	4,709,174	12,016,715	11,132,967	8,623,657	12,376,090	5,224,997	4,575,556
Equity Index Fund	62,577,870	141,385,129	110,469,340	138,388,551	163,242,392	66,343,517	54,243,796
High-Yield Fund	1,815,595	7,053,088	9,438,290	19,945,089	36,660,265	20,084,465	18,881,579
Inflation-Linked Bond Fund	4,013,927	14,110,654	18,301,426	39,027,824	69,401,765	36,520,433	29,522,897
International Equity Index Fund	24,416,460	54,907,670	39,150,049	51,630,406	61,517,779	24,962,774	21,534,088
Real Estate Securities Fund	7,067,084	17,437,470	14,773,057	17,211,237	21,228,291	8,470,990	7,123,825
SUBTOTAL	120,551,125	304,698,080	280,711,131	422,835,887	606,270,654	289,812,736	258,184,803
TIAA-CREF Life Insurance Company:							
Funding Agreement	—	—	—	—	—	26,362,902	59,828,023
TOTAL INVESTMENTS	120,551,125	304,698,080	280,711,131	422,835,887	606,270,654	316,175,638	318,012,826
Cash	—	—	—	225	125	110	150
Dividends and interest receivable	41,605	150,973	203,967	377,326	649,196	366,166	385,169
Receivable from securities transactions	—	—	—	8,534,000	—	—	—
Receivable from Plan units sold	113,905	97,766	114,347	195,995	467,171	379,133	153,998
TOTAL ASSETS	120,706,635	304,946,819	281,029,445	431,943,433	607,387,146	316,921,047	318,552,143
LIABILITIES							
Overdraft payable	—	—	—	—	—	—	—
Accrued Plan manager fee	3,119	7,782	7,252	10,829	15,198	7,772	7,883
Payable for securities transactions	151,064	245,087	314,707	9,087,761	1,062,857	659,199	469,025
Payable for Plan units redeemed	—	8,309	—	15,062	46,702	82,895	66,156
TOTAL LIABILITIES	154,183	261,178	321,959	9,113,652	1,124,757	749,866	543,064
NET POSITION	\$ 120,552,452	\$ 304,685,641	\$ 280,707,486	\$ 422,829,781	\$ 606,262,389	\$ 316,171,181	\$ 318,009,079
UNITS OUTSTANDING	6,956,155	18,417,801	17,853,311	28,437,019	42,804,765	23,619,314	24,569,583
NET POSITION VALUE PER UNIT	\$17.33	\$16.54	\$15.72	\$14.87	\$14.16	\$13.39	\$12.94
INVESTMENTS AT COST	\$ 109,930,448	\$ 261,897,141	\$ 239,046,314	\$ 366,014,609	\$ 535,441,010	\$ 289,732,503	\$ 296,942,750

	Age 17	Ages 18 & Over	Total
\$	89,766,718	\$ 177,503,468	\$1,058,816,374
	3,489,758	6,744,518	68,893,432
	42,533,435	76,979,881	856,163,911
	14,736,155	29,758,864	158,373,390
	23,156,008	47,211,694	281,266,628
	16,387,480	31,723,940	326,230,646
	5,461,339	10,611,966	109,385,259
	<u>195,530,893</u>	<u>380,534,331</u>	<u>2,859,129,640</u>
	100,324,323	370,649,311	557,164,559
	<u>295,855,216</u>	<u>751,183,642</u>	<u>3,416,294,199</u>
	50	—	660
	331,375	797,206	3,302,983
	—	223,741	8,757,741
	59,628	158,371	1,740,314
	<u>296,246,269</u>	<u>752,362,960</u>	<u>3,430,095,897</u>
	—	11,440	11,440
	7,094	17,429	84,358
	352,053	797,207	13,138,960
	32,250	362,906	614,280
	<u>391,397</u>	<u>1,188,982</u>	<u>13,849,038</u>
\$	<u>295,854,872</u>	<u>\$ 751,173,978</u>	<u>\$3,416,246,859</u>
	<u>23,720,067</u>	<u>62,580,095</u>	
	<u>\$12.47</u>	<u>\$12.00</u>	
\$	<u>280,955,100</u>	<u>\$ 738,761,052</u>	<u>\$3,118,720,927</u>

**SCHOLARSHARE COLLEGE SAVINGS PLAN
STATEMENTS OF FIDUCIARY NET POSITION
JUNE 30, 2017**

Active Multi-Fund Investment Portfolios

	Active Diversified Equity Portfolio	Active Growth Portfolio	Active Moderate Growth Portfolio	Active Conservative Portfolio	Active International Equity Portfolio	Active Diversified Fixed Income Portfolio	Total
ASSETS							
Investments, at value:							
TIAA-CREF Funds:							
Real Estate Securities Fund	\$ 13,999,732	\$ 6,829,213	\$ 1,330,202	\$ —	\$ —	\$ —	\$22,159,147
Small-Cap Equity Fund	14,114,002	6,822,684	1,321,313	—	—	—	22,257,999
SUBTOTAL	28,113,734	13,651,897	2,651,515	—	—	—	44,417,146
DFA Emerging Market Core Equity Portfolio	12,138,749	4,609,058	959,559	—	4,774,590	—	22,481,956
DFA Large Cap International Portfolio	48,152,208	20,443,051	4,022,435	—	18,676,417	—	91,294,111
MetWest Total Return Bond Fund	—	17,334,838	11,919,859	8,118,533	—	9,659,846	47,033,076
PIMCO Income Fund	—	7,622,046	5,241,581	3,713,833	—	4,294,783	20,872,243
PIMCO Real Return Fund	—	7,334,000	4,450,593	2,944,351	—	3,773,235	18,502,179
T. Rowe Price Inst. Floating Rate Fund	—	3,299,941	2,372,500	1,783,494	—	2,037,710	9,493,645
T. Rowe Price Inst. Large-Cap Growth Fund	62,917,482	30,602,129	5,550,256	—	—	—	99,069,867
T. Rowe Price Inst. Large-Cap Value Fund	59,175,107	29,933,165	5,862,229	—	—	—	94,970,501
SUBTOTAL	182,383,546	121,178,228	40,379,012	16,560,211	23,451,007	19,765,574	403,717,578
TIAA-CREF Life Insurance Company:							
Funding Agreement	—	—	—	15,493,219	—	—	15,493,219
TOTAL INVESTMENTS	210,497,280	134,830,125	43,030,527	32,053,430	23,451,007	19,765,574	463,627,943
Dividends and interest receivable	665,323	380,190	122,935	62,266	256,690	55,631	1,543,035
Receivable from securities transactions	—	—	—	47,576	—	14,316	61,892
Receivable from Plan units sold	73,989	114,220	39,123	7,683	174,265	7,293	416,573
TOTAL ASSETS	211,236,592	135,324,535	43,192,585	32,170,955	23,881,962	19,842,814	465,649,443
LIABILITIES							
Overdraft payable	5,486	19,990	20,000	44,016	—	20,009	109,501
Accrued Plan manager fee	5,183	3,317	1,059	789	570	482	11,400
Accrued administrative fee	8,638	5,527	1,765	1,315	950	804	18,999
Payable for securities transactions	721,595	463,538	133,717	62,265	408,057	55,631	1,844,803
Payable for Plan units redeemed	11,795	10,152	22,797	10,475	22,792	1,500	79,511
TOTAL LIABILITIES	752,697	502,524	179,338	118,860	432,369	78,426	2,064,214
NET POSITION	\$ 210,483,895	\$ 134,822,011	\$ 43,013,247	\$ 32,052,095	\$ 23,449,593	\$ 19,764,388	\$463,585,229
UNITS OUTSTANDING	10,710,179	7,745,180	2,795,290	2,776,699	1,603,110	1,573,585	
NET POSITION VALUE PER UNIT	\$19.65	\$17.41	\$15.39	\$11.54	\$14.63	\$12.56	
INVESTMENTS AT COST	\$ 160,822,801	\$ 113,290,260	\$ 40,516,417	\$ 32,258,544	\$ 22,050,302	\$ 20,024,812	\$388,963,136

Passive Multi-Fund Investment Portfolios

	Passive Diversified Equity Portfolio	Passive Growth Portfolio	Passive Moderate Growth Portfolio	Passive Conservative Portfolio	Passive Diversified Fixed Income Portfolio	Index International Equity Portfolio	Total
ASSETS							
Investments, at value:							
TIAA-CREF Funds:							
Bond Index Fund	\$ —	\$ 20,357,191	\$ 15,632,610	\$ 12,062,584	\$ 9,678,340	\$ —	\$57,730,725
Emerging Markets Equity Index Fund	36,495,735	3,608,481	902,339	—	—	24,326,048	65,332,603
Equity Index Fund	365,438,183	48,461,110	10,768,405	—	—	—	424,667,698
High-Yield Fund	—	2,874,654	2,341,819	2,158,009	1,569,214	—	8,943,696
Inflation-Linked Bond Fund	—	5,800,196	4,046,990	3,118,169	2,635,634	—	15,600,989
International Equity Index Fund	124,925,820	18,934,676	3,805,557	—	—	86,577,694	234,243,747
Real Estate Securities Fund	37,638,237	5,547,775	1,206,498	—	—	—	44,392,510
SUBTOTAL	564,497,975	105,584,083	38,704,218	17,338,762	13,883,188	110,903,742	850,911,968
TIAA-CREF Life Insurance Company:							
Funding Agreement	—	—	—	16,157,622	—	—	16,157,622
TOTAL INVESTMENTS	564,497,975	105,584,083	38,704,218	33,496,384	13,883,188	110,903,742	867,069,590
Dividends and interest receivable	—	53,164	41,090	48,951	26,102	—	169,307
Receivable from securities transactions	—	689,731	29,205	—	46,831	—	765,767
Receivable from Plan units sold	70,586	20,869	11,622	42,323	2,485	139,574	287,459
TOTAL ASSETS	564,568,561	106,347,847	38,786,135	33,587,658	13,958,606	111,043,316	868,292,123
LIABILITIES							
Overdraft payable	—	19,990	20,000	—	20,014	—	60,004
Accrued Plan manager fee	13,967	2,616	952	823	344	2,721	21,423
Payable for securities transactions	3,925	53,164	41,090	73,075	26,102	123,966	321,322
Payable for Plan units redeemed	64,426	689,459	20,727	18,142	29,287	15,244	837,285
TOTAL LIABILITIES	82,318	765,229	82,769	92,040	75,747	141,931	1,240,034
NET POSITION	\$ 564,486,243	\$ 105,582,618	\$ 38,703,366	\$ 33,495,618	\$ 13,882,859	\$ 110,901,385	\$867,052,089
UNITS OUTSTANDING	29,586,390	6,391,860	2,738,551	3,049,391	1,213,841	7,630,576	
NET POSITION VALUE PER UNIT	\$19.08	\$16.52	\$14.13	\$10.98	\$11.44	\$14.53	
INVESTMENTS AT COST	\$ 377,970,460	\$ 90,071,946	\$ 36,704,464	\$ 33,569,276	\$ 13,912,523	\$ 95,597,114	\$647,825,783

**SCHOLARSHARE COLLEGE SAVINGS PLAN
STATEMENTS OF FIDUCIARY NET POSITION
JUNE 30, 2017**

Single Fund Investment Portfolios

	Social Choice Portfolio	Index Bond Portfolio	Index U.S. Large Cap Equity Portfolio	Index U.S. Equity Portfolio	Principal Plus Interest Portfolio	Total
ASSETS						
Investments, at value:						
TIAA-CREF Funds:						
Bond Index Fund	\$ —	\$ 50,807,419	\$ —	\$ —	\$ —	\$50,807,419
Equity Index Fund	—	—	—	323,912,500	—	323,912,500
S&P 500 Index Fund	—	—	330,338,649	—	—	330,338,649
Social Choice Equity Fund	153,594,666	—	—	—	—	153,594,666
SUBTOTAL	153,594,666	50,807,419	330,338,649	323,912,500	—	858,653,234
TIAA-CREF Life Insurance Company:						
Funding Agreement	—	—	—	—	363,472,783	363,472,783
TOTAL INVESTMENTS	153,594,666	50,807,419	330,338,649	323,912,500	363,472,783	1,222,126,017
Dividends and interest receivable	—	101,456	—	—	—	101,456
Receivable from securities transactions	—	—	—	175,726	—	175,726
Receivable from Plan units sold	39,533	29,605	303,845	212,150	289,278	874,411
TOTAL ASSETS	153,634,199	50,938,480	330,642,494	324,300,376	363,762,061	1,223,277,610
LIABILITIES						
Overdraft payable	—	—	20,495	—	—	20,495
Accrued Plan manager fee	3,793	1,255	8,135	7,980	—	21,163
Accrued administrative fee	6,322	—	—	—	—	6,322
Payable for securities transactions	7,100	127,748	250,379	—	215,868	601,095
Payable for Plan units redeemed	31,241	3,165	31,895	384,683	73,410	524,394
TOTAL LIABILITIES	48,456	132,168	310,904	392,663	289,278	1,173,469
NET POSITION	\$ 153,585,743	\$ 50,806,312	\$ 330,331,590	\$ 323,907,713	\$ 363,472,783	\$1,222,104,141
UNITS OUTSTANDING	7,533,979	4,480,147	15,239,421	15,034,778	33,811,667	
NET POSITION VALUE PER UNIT	\$20.39	\$11.34	\$21.68	\$21.54	\$10.75	
INVESTMENTS AT COST	\$ 110,634,307	\$ 50,811,089	\$ 234,551,650	\$ 235,356,464	\$ 363,472,783	\$994,826,293

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**SCHOLARSHARE COLLEGE SAVINGS PLAN
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017**

Active Age-Based Portfolio

	Ages 0-4	Ages 5-8	Ages 9-10	Ages 11-12	Ages 13-14	Age 15	Age 16
ADDITIONS							
Subscriptions	\$49,571,111	\$99,310,901	\$163,761,461	\$143,971,802	\$124,474,504	\$105,185,754	\$100,873,271
Increase from investment operations:							
Dividends from underlying funds	2,088,050	6,609,192	5,713,569	4,449,005	4,608,813	2,101,033	1,991,384
Realized gain distributions from underlying funds	1,401,454	3,803,906	2,776,789	1,915,563	1,751,340	732,491	617,322
Net unrealized appreciation on underlying fund shares	14,246,667	15,743,524	27,177,386	16,319,461	12,125,908	4,395,904	3,325,234
Net realized gain on investments in underlying fund shares	1,835,180	26,095,163	747,679	424,752	654,846	251,395	211,104
Net increase from investment operations	19,571,351	52,251,785	36,415,423	23,108,781	19,140,907	7,480,823	6,145,044
TOTAL ADDITIONS	\$69,142,462	\$151,562,686	\$200,176,884	\$167,080,583	\$143,615,411	\$112,666,577	\$107,018,315
DEDUCTIONS							
Redemptions	\$52,804,375	\$145,203,944	\$124,799,269	\$106,785,908	\$99,626,714	\$93,760,934	\$91,928,337
Expenses:							
Plan manager fee	40,446	118,996	93,220	67,963	66,012	30,436	29,966
Administrative fee	59,137	172,957	136,924	99,676	96,819	44,494	43,745
Total expenses	99,583	291,953	230,144	167,639	162,831	74,930	73,711
TOTAL DEDUCTIONS	\$52,903,958	\$145,495,897	\$125,029,413	\$106,953,547	\$99,789,545	\$93,835,864	\$92,002,048
NET POSITION							
Net increase in fiduciary net position	16,238,504	6,066,789	75,147,471	60,127,036	43,825,866	18,830,713	15,016,267
Beginning of year	106,455,023	337,395,191	234,785,738	177,577,539	170,294,768	81,548,544	80,920,792
End of year	\$122,693,527	\$343,461,980	\$309,933,209	\$237,704,575	\$214,120,634	\$100,379,257	\$95,937,059

Age 17	Ages 18 & Over	Total
\$99,666,337	\$104,297,143	\$991,112,284
1,725,544	3,699,765	32,986,355
487,823	880,097	14,366,785
1,788,770	3,981,924	99,104,778
1,427,293	1,538,922	33,186,334
<u>5,429,430</u>	<u>10,100,708</u>	<u>179,644,252</u>
<u>\$105,095,767</u>	<u>\$114,397,851</u>	<u>\$1,170,756,536</u>
\$88,908,243	\$70,957,656	\$874,775,380
28,809	68,092	543,940
42,250	99,507	795,509
<u>71,059</u>	<u>167,599</u>	<u>1,339,449</u>
<u>\$88,979,302</u>	<u>\$71,125,255</u>	<u>\$876,114,829</u>
16,116,465	43,272,596	294,641,707
<u>76,911,756</u>	<u>194,337,626</u>	<u>1,460,226,977</u>
<u>\$93,028,221</u>	<u>\$237,610,222</u>	<u>\$1,754,868,684</u>

**SCHOLARSHARE COLLEGE SAVINGS PLAN
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017**

Passive Age-Based Portfolio

	<u>Ages 0-4</u>	<u>Ages 5-8</u>	<u>Ages 9-10</u>	<u>Ages 11-12</u>	<u>Ages 13-14</u>	<u>Age 15</u>	<u>Age 16</u>
ADDITIONS							
Subscriptions	\$54,503,680	\$91,528,359	\$146,456,463	\$214,930,346	\$311,697,481	\$324,824,539	\$324,995,180
Increase from investment operations:							
Dividends from underlying funds	2,433,110	6,872,737	6,621,368	10,211,300	13,867,935	6,804,074	6,350,997
Realized gain distributions from underlying funds	369,783	922,771	777,516	964,046	1,076,469	424,165	341,475
Net unrealized appreciation on underlying fund shares	9,579,243	8,926,302	5,319,322	2,431,948	15,837,689	6,350,271	5,560,633
Net realized gain on investments in underlying fund shares	2,724,125	20,215,880	17,360,458	24,460,246	12,371,719	3,716,127	3,412,469
Net increase from investment operations	15,106,261	36,937,690	30,078,664	38,067,540	43,153,812	17,294,637	15,665,574
TOTAL ADDITIONS	\$69,609,941	\$128,466,049	\$176,535,127	\$252,997,886	\$354,851,293	\$342,119,176	\$340,660,754
DEDUCTIONS							
Redemptions	\$46,290,925	\$123,520,292	\$183,840,952	\$276,871,088	\$321,792,532	\$316,008,919	\$295,294,543
Expenses:							
Plan manager fee	37,961	105,841	100,211	152,630	203,882	102,994	101,319
Total expenses	37,961	105,841	100,211	152,630	203,882	102,994	101,319
TOTAL DEDUCTIONS	\$46,328,886	\$123,626,133	\$183,941,163	\$277,023,718	\$321,996,414	\$316,111,913	\$295,395,862
NET POSITION							
Net increase (decrease) in fiduciary net position	23,281,055	4,839,916	(7,406,036)	(24,025,832)	32,854,879	26,007,263	45,264,892
Beginning of year	97,271,397	299,845,725	288,113,522	446,855,613	573,407,510	290,163,918	272,744,187
End of year	\$120,552,452	\$304,685,641	\$280,707,486	\$422,829,781	\$606,262,389	\$316,171,181	\$318,009,079

Age 17	Ages 18 & Over	Total
\$308,135,692	\$300,192,237	\$2,077,263,977
5,109,671	11,595,796	69,866,988
233,912	482,731	5,592,868
3,160,471	3,922,290	61,088,169
3,339,865	8,471,694	96,072,583
11,843,919	24,472,511	232,620,608
<u>\$319,979,611</u>	<u>\$324,664,748</u>	<u>\$2,309,884,585</u>

\$271,824,338	\$218,146,252	\$2,053,589,841
90,166	222,640	1,117,644
<u>90,166</u>	<u>222,640</u>	<u>1,117,644</u>
<u>\$271,914,504</u>	<u>\$218,368,892</u>	<u>\$2,054,707,485</u>

48,065,107	106,295,856	255,177,100
247,789,765	644,878,122	3,161,069,759
<u>\$295,854,872</u>	<u>\$751,173,978</u>	<u>\$3,416,246,859</u>

**SCHOLARSHARE COLLEGE SAVINGS PLAN
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017**

Active Multi-Fund Investment Portfolios

	Active Diversified Equity Portfolio	Active Growth Portfolio	Active Moderate Growth Portfolio	Active Conservative Portfolio	Active International Equity Portfolio	Active Diversified Fixed Income Portfolio	Total
ADDITIONS							
Subscriptions	\$28,508,836	\$25,980,729	\$10,680,496	\$6,139,056	\$6,479,301	\$6,647,532	\$84,435,950
Increase from investment operations:							
Dividends from underlying funds	2,916,228	2,314,838	912,184	665,244	482,405	530,383	7,821,282
Realized gain distributions from underlying funds	2,233,728	1,309,555	351,667	111,727	—	117,177	4,123,854
Net unrealized appreciation on underlying fund shares	27,482,212	13,174,083	2,277,020	—	2,982,286	—	45,915,601
Net realized gain on investments in underlying fund shares	4,292,958	1,116,351	260,141	—	48,791	—	5,718,241
Net increase from investment operations	<u>36,925,126</u>	<u>17,914,827</u>	<u>3,801,012</u>	<u>776,971</u>	<u>3,513,482</u>	<u>647,560</u>	<u>63,578,978</u>
TOTAL ADDITIONS	<u>\$65,433,962</u>	<u>\$43,895,556</u>	<u>\$14,481,508</u>	<u>\$6,916,027</u>	<u>\$9,992,783</u>	<u>\$7,295,092</u>	<u>\$148,014,928</u>
DEDUCTIONS							
Redemptions	\$24,894,039	\$17,682,046	\$7,415,478	\$6,604,291	\$3,002,821	\$4,309,960	\$63,908,635
Expenses:							
Plan manager fee	63,984	40,937	13,129	10,916	6,368	6,078	141,412
Administrative fee	93,656	59,982	19,201	15,857	9,352	8,875	206,923
Total expenses	<u>157,640</u>	<u>100,919</u>	<u>32,330</u>	<u>26,773</u>	<u>15,720</u>	<u>14,953</u>	<u>348,335</u>
Net unrealized depreciation on underlying fund shares	—	—	—	111,779	—	80,261	192,040
Net realized loss on investments in underlying fund shares	—	—	—	23,392	—	60,206	83,598
TOTAL DEDUCTIONS	<u>\$25,051,679</u>	<u>\$17,782,965</u>	<u>\$7,447,808</u>	<u>\$6,766,235</u>	<u>\$3,018,541</u>	<u>\$4,465,380</u>	<u>\$64,532,608</u>
NET POSITION							
Net increase in fiduciary net position	40,382,283	26,112,591	7,033,700	149,792	6,974,242	2,829,712	83,482,320
Beginning of year	<u>170,101,612</u>	<u>108,709,420</u>	<u>35,979,547</u>	<u>31,902,303</u>	<u>16,475,351</u>	<u>16,934,676</u>	<u>380,102,909</u>
End of year	<u>\$210,483,895</u>	<u>\$134,822,011</u>	<u>\$43,013,247</u>	<u>\$32,052,095</u>	<u>\$23,449,593</u>	<u>\$19,764,388</u>	<u>\$463,585,229</u>

Passive Multi-Fund Investment Portfolios

	Passive Diversified Equity Portfolio	Passive Growth Portfolio	Passive Moderate Growth Portfolio	Passive Conservative Portfolio	Passive Diversified Fixed Income Portfolio	Index International Equity Portfolio	Total
ADDITIONS							
Subscriptions	\$48,765,555	\$25,515,677	\$14,073,938	\$10,299,167	\$6,390,742	\$17,595,576	\$122,640,655
Increase from investment operations:							
Dividends from underlying funds	11,122,809	2,040,137	769,234	583,294	309,404	2,404,308	17,229,186
Realized gain distributions from underlying funds	2,131,985	262,585	56,612	—	—	—	2,451,182
Net unrealized appreciation on underlying fund shares	61,051,274	6,582,874	1,262,238	—	—	15,325,479	84,221,865
Net realized gain on investments in underlying fund shares	13,106,188	2,313,319	416,907	7,122	—	592,292	16,435,828
Net increase from investment operations	87,412,256	11,198,915	2,504,991	590,416	309,404	18,322,079	120,338,061
TOTAL ADDITIONS	\$136,177,811	\$36,714,592	\$16,578,929	\$10,889,583	\$6,700,146	\$35,917,655	\$242,978,716
DEDUCTIONS							
Redemptions	\$80,778,547	\$15,727,137	\$7,062,433	\$7,642,954	\$3,710,892	\$14,053,171	\$128,975,134
Expenses:							
Plan manager fee	181,899	31,937	11,292	10,678	4,214	32,873	272,893
Total expenses	181,899	31,937	11,292	10,678	4,214	32,873	272,893
Net unrealized depreciation on underlying fund shares	—	—	—	266,812	206,153	—	472,965
Net realized loss on investments in underlying fund shares	—	—	—	—	429	—	429
TOTAL DEDUCTIONS	\$80,960,446	\$15,759,074	\$7,073,725	\$7,920,444	\$3,921,688	\$14,086,044	\$129,721,421
NET POSITION							
Net increase in fiduciary net position	55,217,365	20,955,518	9,505,204	2,969,139	2,778,458	21,831,611	113,257,295
Beginning of year	509,268,878	84,627,100	29,198,162	30,526,479	11,104,401	89,069,774	753,794,794
End of year	\$564,486,243	\$105,582,618	\$38,703,366	\$33,495,618	\$13,882,859	\$110,901,385	\$867,052,089

**SCHOLARSHARE COLLEGE SAVINGS PLAN
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017**

Single Fund Investment Portfolios

	Social Choice Portfolio	Index Bond Portfolio	Index U.S. Large Cap Equity Portfolio	Index U.S. Equity Portfolio	Principal Plus Interest Portfolio	Total
ADDITIONS						
Subscriptions	\$18,712,709	\$16,108,266	\$63,914,129	\$69,880,123	\$120,959,606	\$289,574,833
Increase from investment operations:						
Interest	—	—	—	—	4,203,619	4,203,619
Dividends from underlying funds	3,137,884	1,093,036	5,440,760	5,256,994	—	14,928,674
Realized gain distributions from underlying funds	5,873,317	—	1,239,411	1,264,574	—	8,377,302
Net unrealized appreciation on underlying fund shares	12,787,507	—	38,012,797	37,775,144	—	88,575,448
Net realized gain on investments in underlying fund shares	2,510,624	25,281	2,966,349	3,023,123	—	8,525,377
Net increase from investment operations	24,309,332	1,118,317	47,659,317	47,319,835	4,203,619	124,610,420
TOTAL ADDITIONS	\$43,022,041	\$17,226,583	\$111,573,446	\$117,199,958	\$125,163,225	\$414,185,253
DEDUCTIONS						
Redemptions	\$18,967,208	\$9,257,805	\$37,050,741	\$36,054,957	\$79,653,479	\$180,984,190
Expenses:						
Plan manager fee	48,360	16,244	99,573	95,818	—	259,995
Administrative fee	70,720	—	—	—	—	70,720
Total expenses	119,080	16,244	99,573	95,818	—	330,715
Net unrealized depreciation on underlying fund shares	—	1,305,476	—	—	—	1,305,476
TOTAL DEDUCTIONS	\$19,086,288	\$10,579,525	\$37,150,314	\$36,150,775	\$79,653,479	\$182,620,381
NET POSITION						
Net increase in fiduciary net position	23,935,753	6,647,058	74,423,132	81,049,183	45,509,746	231,564,872
Beginning of year	129,649,990	44,159,254	255,908,458	242,858,530	317,963,037	990,539,269
End of year	\$153,585,743	\$50,806,312	\$330,331,590	\$323,907,713	\$363,472,783	\$1,222,104,141



Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Trustee of the Golden State ScholarShare College Savings Trust:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the ScholarShare College Savings Plan (the "Plan"), which comprise the statement of fiduciary net position as of June 30, 2017, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 6, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Plan's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Plan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PricewaterhouseCoopers LLP

September 6, 2017